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C O N F I D E N T I A L SECTION 01 OF 04 MANAMA 001728

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TAGS: PGOV KDEM BA POL

SUBJECT: "BANDARGATE" REPORT ALLEGES SENIOR POWER BROKER ATTEMPTED TO MANIPULATE POLITICAL SYSTEM

REF: A. MANAMA 1691

1B. MANAMA 0907

1C. MANAMA 0891

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) and (d)

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Summary

11. (C) A recently leaked report written by a former strategic advisor for Minister of State for Cabinet Affairs Shaikh Ahmed bin Attiyatallah Al Khalifa alleges that Shaikh Ahmed engaged in a complex conspiracy to influence the outcome of upcoming parliamentary elections in favor of friendly Sunni candidates. In a 220-page report, consultant and Gulf Center for Democratic Development Secretary General Salah Al Bandar claims that Shaikh Ahmed distributed more than BD 1 million (\$2.65 million) to a range of government employees, journalists, politicians, and activists to manipulate the political system in favor of Sunni causes and candidates. Al Bandar said he had distributed his report to government officials, political society heads, and some embassies, and planned to release it publicly until he was arrested, interrogated, and deported to the UK on September 113. He was subsequently charged with espionage.

12. (C) Summary continued: Shaikh Ahmed issued a strong statement September 24 denying and condemning Al Bandar's accusations. Some members of parliament and political societies have called for an independent committee to investigate the claims, and columnists have faulted the responses of Sunni politicians, the government, and those named in the report. How the government plays its cards between now and the elections, expected to be held in late November, will have a big impact on Bahrain's reputation and perceptions of the credibility of the elections. End Summary.

"Bandargate" Alleges Political Payoffs

13. (SBU) A recently leaked report written by (the UK-registered) Gulf Center for Democratic Development (GCDD) Secretary General Salah Al Bandar alleges that Minister of

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State for Cabinet Affairs Shaikh Ahmed bin Attiyatallah Al Khalifa, who also serves as president of the Central Informatics Organization and head of the Civil Service Bureau, distributed more than BD 1 million (\$2.65 million) in a systematic effort to influence the outcome of the upcoming parliamentary elections. A Sudanese-British national, Al Bandar claims that Shaikh Ahmed created a network of accomplices who assisted in funneling money from his personal

bank account to government employees, journalists, members of parliament, parliamentary candidates, civil societies, lawyers, bank employees, a Jordanian "intelligence" team, and a member of the appointed upper house Shura Council. The funds were distributed for various purposes, including financing electoral campaigns, investigating political opponents, carrying out press campaigns, defending the government in international forums, and assisting Shia "converts" to Sunni Islam.

¶4. (SBU) The report, quickly dubbed "Bandargate" by the press and bloggers (who covered the controversy well before the press picked it up), names several senior government employees as Shaikh Ahmed's principal accomplices. Through them, Shaikh Ahmed is alleged to have passed money to MPs and candidates representing conservative Sunni political trends, including the Asala (Salafi) and Minbar (Muslim Brotherhood) political societies and independents such as hardline Salafi Jassim Al Saeedi. (Note: Al Saeedi denies the accusation.) The payment amounts cited in the report are not high, from a few hundred to a few thousand dinars, but in some cases the recipients received a continuing monthly retainer. The politicians are presumed to have used the money to finance, at least partially, their election campaigns. The report publishes copies of the signed checks and bank statements.

A Jordanian Connection?

¶5. (C) The Jordanian intelligence team was charged with collecting damaging information on opposition societies, politicians and candidates. (Note: The Jordanian Ambassador told the Ambassador that officials from Jordan's intelligence service had assisted the Central Informatics Organization to develop "smart" identity cards, commenting that the most

MANAMA 00001728 002 OF 004

technically adept Jordanian officials work in intelligence. He said the GOJ had refused a very recent Bahraini request to assist in working on the elections, saying there was not enough time to do any serious work.)

Al Watan Newspaper Receives Funding

¶6. (SBU) The report asserts that Shaikh Ahmed assisted his personal friend Hisham Abdul Rahman Jaafar establish the daily Al Watan newspaper in mid-2005, including giving the paper a subsidy of BD 100,000 (\$265,000). Jaafar was installed as chair of the board of directors and serves as the paper's primary investor and owner. In a later article, Al Watan reported that Shaikh Ahmed had recommended that Jaafar hire Al Bandar as a strategic advisor during the paper's start-up phase. Al Watan reported that Al Bandar was fired, along with several Sudanese he had arranged to be hired as reporters, following some unspecified problem. He then was hired by Shaikh Ahmed to work at the Cabinet Affairs Ministry, in October 2005.

¶7. (SBU) As reported Ref C, in May Al Watan launched highly controversial press campaigns against the National Democratic Institute (NDI) project in Bahrain and the U.S. Embassy. The paper's reporting slant and editorial position (with one prominent exception) is reflexively pro-Sunni and anti-Shia, leaning even toward the Salafi perspective in many areas. The Bandar report claims that Shaikh Ahmed gave the paper the subsidy to help it get on its feet in exchange for promoting this particular political line, making it a unique (and discordant) voice within Bahrain's crowded press marketplace.

Meddling with Civil Society

¶8. (C) Al Bandar reports that Shura Council member and founder of the Bahrain Human Rights Watch Society (and close Embassy contact) Faisal Fulad took money from Shaikh Ahmed to defend Bahrain in international forums. Fulad did attend the UN Committee Against Torture session on Bahrain in Geneva in the fall of 2005, arguing that oppositionists' claims did not present a balanced perspective of the situation in Bahrain. He also issued a glowing statement in the Human Rights Watch Society's name on Bahrain's democracy in late August, presumably to defend Bahrain against claims made by oppositionists who delivered a petition critical of Bahrain's record to UN Secretary General Annan in June. Human Rights Watch Society Secretary General Houda Nonoo told Pol/Econ Chief that at that time, Fulad had not consulted with her or the Society board before issuing his statement. She indicated that Fulad has not returned her calls since the Bandargate story broke.

Al Bandar Consultant for Shaikh Ahmed

¶9. (SBU) Al Bandar had been employed as a strategic planning advisor to the Cabinet Affairs Ministry, one of the organizations Shaikh Ahmed heads, since October 2005. He told the Akhbar Al Khaleej newspaper September 27 that he and four other GCDD researchers began working on the report in February, after fellow employees at the Ministry began confiding in him about unusual activities in their offices. The employees brought him pieces of evidence, leading to his conclusion that there was a "secret organization outside the rule of law" operating under Shaikh Ahmed. He compiled hundreds of pieces of evidence, not all of which he included in the final report, and finished a draft by August 20.

¶10. (C) Al Bandar said that he submitted the report by hand to Bahraini authorities, political society heads, and the U.S., UK, and German embassies in September. (Note: Embassy PolOff met with Al Bandar September 7 at Al Bandar's request, which had been forwarded by the British Embassy, to speak with someone about the Gulf Center's activities. Al Bandar passed us a copy of the report at that meeting. Prior to this encounter, the Embassy had never dealt with nor heard of Al Bandar, although his wife political activist Laila Rajab is well known to us. The Embassy has not/not publicly or privately acknowledged receiving the report nor have we commented on press or other inquiries about our involvement.)

Arrest, Deportation, Espionage Charges

MANAMA 00001728 003 OF 004

¶11. (SBU) Al Bandar said that he had not received any feedback from the government about his report and planned to release it to the press on September 15. However, on September 13 he was arrested, questioned, and deported to London. He was subsequently charged with spying and harming the interests of Bahrain and its people. He was quickly labeled by Al Watan and others as being an agent working for a foreign (read, British) intelligence service. The British Embassy has dismissed any suggestions that Al Bandar worked for the UK government. The British Ambassador told the Ambassador that the GOB had informed him that the official reason for Al Bandar's deportation was that his sponsor (Shaikh Ahmed) had withdrawn his support. (Note: This despite Al Bandar's wife being a Bahraini citizen.)

Shaikh Ahmed Strikes Back

¶12. (SBU) The mid-September revelations resulted in an avalanche of public accusations, counter-accusations, conspiracy theories, and unanswered questions, and has been

the talk of the town. Shaikh Ahmed issued a strong rebuttal of the accusations September 24, saying Al Bandar "weaves a fictitious and sinister plot to break national unity and create distrust" among people during the election season. He called on Bahrainis not to believe "such lies spread by a person who does not have any stake in the development of Bahrain." Shaikh Ahmed said that Al Bandar was dismissed from his ministry job following attempts to break into a government database. Al Bandar stole "authentic personal checks, issued as part of genuine financial and trade transactions, to persons with whom I maintain business relations outside my official duties." Al Bandar, Shaikh Ahmed said, "used these checks in a strange and fabricated scenario." Shaikh Ahmed assured citizens that they will soon be given "full details of Al Bandar's reports and files to expose the nature of his work in Bahrain."

¶13. (SBU) Al Watan also jumped into the fray, reporting on September 21 that investigations into Al Bandar show that he put inaccurate information in his report for the purpose of stirring sectarianism and incitement in the country. Additionally, the paper said, investigations show that Al Bandar had opened many bank accounts and was in possession of a check made out for BD 1 million (\$2.65 million). (Note: Al Bandar's wife Laila Rajab later stated that the check was a joke between her and a friend who wanted to buy a house two years ago.) Al Watan further reported that it would soon reveal Al Bandar's involvement in attempts to overthrow the Sudanese government and his work with an intelligence agency to overthrow the South African government. The paper said that Al Bandar and the intelligence agency he works for sought to bring about "radical change" in Bahrain by sowing chaos and sectarian conflict. The September 26 Al Waqt newspaper reported that a doctored version of the Bandar report was being distributed by an unknown entity in an effort to discredit the original. In the false copy, the names of Shia and opposition politicians and activists are substituted for those listed in the original.

Politicians, Activists Weigh In

¶14. (SBU) Opposition political societies, politicians, and activists are predictably outraged over the report's allegations. Leading Shia opposition society Al Wifaq and the secular-socialist Al Waad Society have called for Shaikh Ahmed to step down from any responsibilities related to the elections. Al Wifaq issued a statement saying the credibility of the election process would be damaged if Shaikh Ahmed continues to play a role in its administration. In statements following a long-planned September 20 meeting with King Hamad, political society leaders said they raised the report and the King replied that the judiciary would resolve the issue. Seven political societies demanded the formation of an independent committee to investigate the report's assertions. Several societies have announced decisions to boycott a planned meeting between the societies and Shaikh Ahmed to discuss e-voting in the elections (Ref A) and called for all senior officials responsible for e-voting to step aside. A "national gathering" of societies is scheduled to take place the evening of September 28 to discuss the report.

¶15. (SBU) MPs are also weighing in. First Vice Chair of the elected lower house Council of Representatives (COR) Abdul Hadi Marhoon sent a letter September 26 to COR Speaker Khalifa Al Dhahrani requesting an extraordinary meeting to

MANAMA 00001728 004 OF 004

discuss possible parliamentary actions, including summoning appropriate ministers, to discuss the allegations. Marhoon September 27 called for all government officials whose names appear in the report to be dismissed. MP Jassim Abdul Aal told the press that MPs should discuss ways to deal with the issues raised in the report in a non-confrontational way. MP

Abdul Nabi Salman said publicly that an investigation should determine whether the allegations in the report are true, and if so, should explore "why and for the sake of whom" the conspiracy was activated. Ever the gadfly, virulently anti-American Salafi MP Mohammed Khalid demanded a court investigation of Al Bandar rather than the findings of his report, claiming Al Bandar may be a spy and agitator working for Iran or Britain.

Columnists Critical of Sunni Response

¶16. (SBU) Widely read Al Watan columnist Sawsan Al Shaer September 26 termed the position of Sunni Islamist political leaders toward the Al Bandar report "embarrassing." She writes, "We were waiting for a position based on principle regardless of the accuracy of the report. All Sunni candidates and religious and non-religious leaders should have declared their rejection" of the manipulations described in the report. She continues, "Imagine if the picture was reversed and the plan was to hit the Sunni stream in Bahrain. Wouldn't you make a big deal out of it and call for an immediate investigation?" She says she is disappointed that Sunnis are talking about a spy and his conspiracy against the nation instead of addressing the claims in the report.

¶17. (SBU) Saeed Al Hamad of Al Ayam September 27 demanded the formation of a fact-finding committee to investigate the Bandar report. He wonders why the people named in the report are not standing up publicly to clear their names. Al Wasat editor-in-chief Mansour Al Jamri September 23 called on the King to reinstate the rule of law by opening an investigation on the allegations in the report. He adds, "Everyone has great confidence in the King and his wisdom. We trust that he will handle this very sensitive case in a manner that reinforces the rule of law in society and the country."

Comment

¶18. (C) There are many questions about the veracity of the Bandar report that have yet to be answered. If Shaikh Ahmed is the mastermind of a complex conspiracy, how could he have been deceived by a man he hired to work in his own office? Why would Shaikh Ahmed have used checks to make political payoffs, therefore leaving the very money trail that has come back to haunt him in the Bandar report? However, whether or not the allegations in the report are true, they fuel the suspicions of many oppositionists -- that the government is taking active steps to sway, or at least manipulate, the election results.

¶19. (C) Comment continued: In any country, the goal is for elections to be free and fair, and for elections to be seen to be free and fair. The allegations in the Bandar report - along with many other issues such as NDI's forced departure from the country, perceived "political naturalizations," gerrymandering of electoral districts, and possible use of e-voting - further erode public trust in the regime and the credibility of the upcoming elections. How the government plays its cards in the remaining two months or so before the elections will have a big impact on Bahrain's reputation and the integrity of the elections. The regime's decisions related to Shaikh Ahmed's role in supervising the elections and his possible future in government, on whether to appoint an independent investigative committee, on following through on recommendations from such a committee, and on its policy on independent observers for the elections, will all be important factors in judging Bahrain's commitment to transparency and continued democratic reform.

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